

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:) Chapter 11
W.R. GRACE & CO., et al.,) Case No. 01-01139 (JKF)
) (Jointly Administered)
)
Debtors.) Hearing Date: 11/14/08 @ 9:00 a.m. (Pittsburgh, PA)

**PROTECTIVE OBJECTION OF MARYLAND CASUALTY COMPANY
TO THE DEBTORS' DISCLOSURE STATEMENT FOR THE FIRST AMENDED
JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE
BANKRUPTCY CODE OF W.R. GRACE & CO., ET AL., THE OFFICIAL
COMMITTEE OF ASBESTOS PERSONAL INJURY CLAIMANTS, THE ASBESTOS
FUTURE CLAIMANTS' REPRESENTATIVE, AND THE OFFICIAL COMMITTEE OF
EQUITY SECURITY HOLDERS**

Maryland Casualty Company, ("MCC"), by and through its undersigned counsel, hereby submits this Protective Objection to the *Debtors' Disclosure Statement for the First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of W.R. Grace & Co., et al., the Official Committee of Asbestos Personal Injury Claimants, the Asbestos Future Claimants' Representative, and the Official Committee of Equity Security Holders* ("Amended Disclosure Statement") as follows:

1. On September 19, 2008, the above-captioned debtors ("Debtors") filed and served the *Debtors' Disclosure Statement for the Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of W.R. Grace & Co., et al., the Official Committee of Asbestos Personal Injury Claimants, the Asbestos Future Claimants' Representative, and the Official Committee of Equity Security Holders dated as of September 19, 2008* [D.I. 19581] ("First Disclosure Statement").

2. On October 17, 2008, MCC filed its *Objection of Maryland Casualty Company to the Debtors' Disclosure Statement for the Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of W.R. Grace & Co., et al., the Official Committee of Asbestos Personal*

Injury Claimants, the Asbestos Future Claimants' Representative, and the Official Committee of Equity Security Holders dated as of September 19, 2008 [D.I. 19777] ("MCC First Objection").

3. In response to subsequent filings by the Debtors and other parties-in-interest, on October 23, 2008, MCC filed its *Reply of Maryland Casualty Company to Debtors' Disclosure Statement for the Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of W.R. Grace & Co., et al., the Official Committee of Asbestos Personal Injury Claimants, the Asbestos Future Claimants' Representative, and the Official Committee of Equity Security Holders dated as of September 19, 2008* [D.I. 19846] ("MCC Reply").

4. An initial hearing on the First Disclosure Statement was held on October 27, 2008 ("Initial Hearing"), during which several objections to the First Disclosure Statement were resolved. Other objections to the First Disclosure Statement, including the MCC First Objection (collectively "Remaining Objections") were continued to a hearing set for November 14, 2008. At the conclusion of the Initial Hearing, the Debtors advised the Court and the parties that the Plan Proponents¹ would attempt to resolve many of the Remaining Objections by revising the Plan Documents to provide additional disclosures and would circulate those revisions among the holders of the Remaining Objections. The Court set November 10, 2008 as the deadline for the submission of the revised Plan Documents, and for the submission of any objections thereto.

5. Late in the evening of November 5, 2008, Debtors circulated the draft proposed Amended Disclosure Statement. Debtors solicited comments from creditors and indicated their intent to review and possibly incorporate such comments into revised Plan Documents to be filed on November 10, 2008.

6. In good faith, MCC and its counsel promptly reviewed the Amended Disclosure Statement and submitted comments thereto to Debtors' counsel. As of the filing of this

Objection, the Plan Proponents have not advised MCC as to whether the MCC comments will be incorporated into the amended Plan Documents, nor have they filed amended Plan Documents.

7. If the MCC comments are not accepted by the Plan Participants and incorporated into the Amended Disclosure Statement, and/or if other changes are made to the Plan Documents, then the Amended Disclosure Statement may fail to satisfy the requirements of Section 1125 of the Bankruptcy Code. Accordingly, this Protective Objection preserves MCC's right to object to any Amended Disclosure Statement filed with the Court. Further, MCC expressly reserves all of its rights, including: (i) its objections set forth in the MCC First Objection and the MCC Reply; (ii) its right to object to any amended Plan Documents on any grounds; (iii) all of its rights and claims under the Contracts and the Agreements; and (iv) its right to join any specific objection(s) to the Amended Disclosure Statement filed by others, or any portion thereof as appropriate.

Dated: November 10, 2008

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¹ Capitalized terms not defined herein have the meaning provided in the First Disclosure Statement.